

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Mail Processing Network Rationalization
Service Standard Changes, 2012

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE NOTICE OF FILING LIBRARY REFERENCE
USPS-LR-N2012-1/NP18 AND APPLICATION FOR NON-PUBLIC TREATMENT**
(March 19, 2012)

In accordance with Rule 31(b)(2), the United States Postal Service provides notice today that it files the following Category 4 Library Reference:

USPS-LR-N2012-1/NP18 Materials Responsive to DFC/USPS-T13-2

Pursuant to 39 C.F.R. § 3001.31(b)(ii) and (iii), the Postal Service files this library reference as part of its response to DFC/USPS-T13-2. This library reference was assembled in response to discovery directed at witness LaChance (USPS-T-13), and it is not an update of or revision to another library reference.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business & Service Development

Keith C. Nusbaum

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260
(202) 268-6525; Fax -5402
March 19, 2012

**UNITED STATES POSTAL SERVICE APPLICATION FOR
NONPUBLIC TREATMENT OF LIBRARY REFERENCE USPS-LR-N2012-1/NP18**

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) applies for nonpublic treatment of certain information filed under seal with the Commission.

The materials covered by this application consist of internal policies, procedures and training materials relating to the Postal Service informing customers of their mailing options.

By operation of 39 U.S.C. § 410(c)(2), information of a commercial nature, which under good business practice would not be publicly disclosed, is not required to be disclosed to the public. The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). Because the requested information filed non-publicly in this docket falls within the scope of information not required to be disclosed publicly, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

¹ PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, PRC Docket No. RM2008-1, June 19, 2009.

(1) The rationale for claiming that the materials are nonpublic, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

The documents designated as nonpublic consist of commercial information revealing internal policies, procedures and training materials which, under good business practice, would not be disclosed publicly. Based on its long-standing and deep familiarity with postal and communications business and markets generally, and its knowledge of many firms, including competitors, the Postal Service does not believe that any commercial enterprise would voluntarily publish its internal policies, procedures and training materials. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).²

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

The Postal Service believes that, in addition of the Postal Service itself, the only third parties that have a proprietary interest in the information included in non-public Library Reference USPS-LR-N2012-1/NP18 is BARE International. The Postal Service's contact for BARE International is Lynn Brighton, available at (703) 591-9870 and lbrighton@bareinternational.com. Pursuant to 39 C.F.R. § 3007.20(b), the Postal

² In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, PRC Docket No. RM2008-1, Mar. 20, 2009, at 11.

Service has notified BARE International of the nature and scope of this filing and its ability to address its confidentiality concerns directly with the Commission

(3) A description of the materials claimed to be nonpublic in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are nonpublic;

The responsive documents consist of internal policies, procedures and training materials relating to the training of Postal Service retail employees about informing customers of their mailing options and the system by which the Postal Service monitors retail service performance.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the redacted documents or information of a similar character were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. This information is clearly commercially sensitive to the Postal Service as a competitor in the parcel delivery market. Furthermore, public release of information relating to the policies and methods for reviewing retail service performance were disclosed to retail employees, the accuracy of future analysis using similar methods would be negatively affected. Disclosure of the internal policies, procedures and training materials, would unfairly, to the economic detriment of the Postal Service, permit competitors to:

- gain specific insight into Postal Service training methods; and
- better develop and market products to directly compete with the Postal Service.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Public disclosure of the information in USPS Library Reference USPS-LR-N2012-1/NP18 would be used by competitors of the Postal Service to the detriment of the Postal Service.

Hypothetical: A competitor's representative obtains access to the information in USPS Library Reference USPS-LR-N2012-1/NP18. It analyzes the information to determine the sales and self-analysis practices of the Postal Service. Based upon this information, the competitor assesses the extent to which it wishes to adjust its parcel delivery service offerings, operations and marketing strategies and activities to compete directly with the Postal Service. That competitor gains valuable market intelligence without having to make an investment in creating similar types of procedures. The competitor then can tailor marketing and/or product campaigns to acquire customers' business with the consequent loss of volume, revenue and market share to the Postal Service, which has no similar ability to access information regarding its competitors' internal policies, procedures and training materials.

Identified harm: Public disclosure of the information in USPS Library Reference USPS-LR-N2012-1/NP18 would be used by Postal Service retail employees to identify methods for measuring retail service performance and would skew future data collection.

Hypothetical: A Postal Service retail employee learns of the procedures and methods contained in USPS Library Reference USPS-LR-N2012-1/NP18. The retail employee is then able to determine the methods undertaken by the Postal Service

and its contractors to evaluate retail service performance. The retail employee can then tailor his or her behavior and activities to the methods for evaluating service performance, which negatively will affect the ability of the Postal Service to obtain reliable data. Incomplete or unreliable data hampers the Postal Service's ability analyze retail operations and make necessary changes to enhance the consumer experience.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant markets for competitive delivery products, as well as their consultants and attorneys. Furthermore, these documents should not be shared with retail employees or groups representing retail employees, as well as their consultants and attorneys.

(7) The length of time deemed necessary for the nonpublic materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that nonpublic materials shall lose nonpublic status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the foregoing reasons, the Postal Service requests that the Postal Regulatory Commission grant its application for nonpublic treatment of the above-described materials appearing in USPS Library Reference USPS-LR-N2012-1/NP18.